

## §1152.35

## 49 CFR Ch. X (10–1–01 Edition)

nominal cost of equity is divided by 1 minus the combined statutory Federal and state income tax rates. This will develop the nominal cost of equity on a before tax basis.

(4) The current nominal before-tax cost of debt is multiplied by the current percentage of debt to total capital to obtain a weighted before-tax nominal cost of current debt.

(5) The current nominal before-tax cost of equity is multiplied by the current percentage of equity to total capital to obtain a weighted nominal before-tax cost of current equity.

(6) The results of paragraphs (d)(4) and (d)(5) of this section are added together to determine the current nominal cost of capital.

(e) *Holding gain (loss)-road properties.* The railroad shall determine the holding gain (loss) that is projected to occur during the forecast and/or sub-

sidy year. In any instance where the holding gain is not specifically determined for road properties, the Gross Domestic Product deflator calculated by the U.S. Department of Commerce shall be used.

### §1152.35 [Reserved]

### §1152.36 Submission of revenue and cost data.

The following information shall be submitted by applicant as Exhibit 1 to an abandonment or discontinuance application (§1152.22(d)) and shall be developed in accordance with the methodology established in §§1152.31 through 1152.35, as applicable. Such information, form and methodology shall also be used by an offeror of financial assistance to formulate a Proposed Subsidy Payment (§1152.27).

	Base year operations	Forecast year operations	Projected subsidy year operations
Revenues attributable for:			
1. Freight originated and/or terminated on branch			
2. Bridge traffic			
3. All other revenues and income			
4. Total revenues attributable (lines 1 through 3)			
Avoidable costs for:			
5. On-branch costs (lines 5a through 5k)			
a. Maintenance of way and structures			
b. Maintenance of equipment			
c. Transportation			
d. General administrative			
e. Deadheading, taxi, and hotel			
f. Overhead movement			
g. Freight car costs (other than return on freight cars)			
h. Return on value-locomotives			
i. Return on value-freight cars			
j. Revenue taxes			
k. Property taxes			
6. Off-branch costs			
a. Off-branch costs (other than return on freight cars)			
b. Return on value-freight cars			
7. Total avoidable costs (line 5 plus line 6)			
Subsidization costs for:			
8. Rehabilitation <sup>1</sup>			
9. Administration costs (subsidy year only) <sup>2</sup>			
10. Casualty reserve account <sup>2</sup>			
11. Total subsidization costs (lines 8 through 10)			
Return on value:			
12. Valuation of property (lines 12a through 12c)			
a. Working capital .....	XXXX.		
b. Income tax consequences .....	XXXX.		
c. Net liquidation value .....	XXXX.		
13. Nominal rate of return .....	XXXX.		
14. Nominal return on value (line 12 times line 13) <sup>3</sup> .....	XXXX.		
15. Holding gain (loss) .....	XXXX.		
16. Total return on value (line 14 minus line 15) <sup>3</sup> .....	XXXX.		
17. Avoidable loss from operations (line 4 minus line 7)			
18. Estimated forecast year loss from operations (line 4 minus lines 7 and 16)			
19. Estimated subsidy (line 4 minus lines 7, 11 and 16)			

<sup>1</sup> This projection shall be computed in accordance with §1152.32(m).

<sup>2</sup> Omit in applications pursuant to §§1152.22 and 1152.23.

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<sup>3</sup> If the amount in line 12c is a negative for the "Forecast Year operations" insert "0" in this line.

### §1152.37 Financial status reports.

Within 30 days after the end of each quarter of the subsidy year, each carrier which is party to the financial assistance agreement shall submit to the subsidizer a Financial Status Report for each line operated under subsidy. Such Financial Status Report shall be in the form prescribed below. Signifi-

cant deviations from the negotiated estimates must be explained. All data shall be developed in accordance with the methodology set forth in §§1152.31 through 1152.35. In the quarterly reports, the actual data for the year to date and a projection to the end of the subsidy year shall be shown for each item.

	Actual	Projected
Revenues for:		
1. Freight originated and/or terminated on branch		
2. Bridge traffic		
3. All other revenue and income		
4. Total revenues (lines 1 through 3)		
Avoidable costs for:		
5. On-branch costs (lines 5a through 5j)		
a. Maintenance of way and structures		
b. Maintenance of equipment		
c. Transportation		
d. General administrative		
e. Deadheading, taxi, and hotel		
f. Overhead movement		
g. Freight car costs		
h. Return on investment—locomotives		
i. Revenue taxes		
j. Property taxes		
6. Off-branch costs		
7. Total avoidable costs (line 5 plus line 6)		
Subsidization costs for:		
8. Rehabilitation		
9. Administrative costs		
10. Casualty		
11. Total subsidization costs (lines 8 through 10)		
Return on value:		
12. Valuation of property (lines 12a through 12c)		
a. Working capital		
b. Income tax consequences		
c. Net liquidation value		
13. Rate of return		
14. Total return on value (line 12 times line 13)		
Subsidy payment:		
15. Subsidy payment (line 4 minus lines 7, 11, and 14)		

## Subpart E [Reserved]

## Subpart F—Exempt Abandonments and Discontinuances of Service and Trackage Rights

### §1152.50 Exempt abandonments and discontinuances of service and trackage rights.

(a)(1) A proposed abandonment or discontinuance of service or trackage rights over a railroad line is exempt from the provisions of 49 U.S.C. 10903 if the criteria in this section are satisfied.

(2) Whenever the Board determines a proposed abandonment to be exempt from the requirements of 49 U.S.C. 10903, whether under this section or on the basis of the merits of an individual petition, the provisions of §§1152.27, 1152.28, and 1152.29 as they relate to exemption proceedings shall be applicable.

(b) An abandonment or discontinuance of service or trackage rights is exempt if the carrier certifies that no local traffic has moved over the line for at least 2 years and any overhead traffic on the line can be rerouted over